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TAGS: KDEM NU PGOV PHUM PINR PREL
SUBJECT: POLITICAL PUNDITS PLACE ORTEGA GOVERNMENT ON
YELLOW ALERT (C-AL7-00063)

REF: MANAGUA 0242

Classified By: Ambassador Paul A. Trivelli. Reasons 1.4 (B,D).

¶1. (C) Summary: Six of Nicaragua's leading political analysts concur that the Ortega administration has already reached "yellow alert" status and that President Ortega's primordial objective is to consolidate power. Over breakfast at the Ambassador's residence, they lauded our government's approach towards Ortega, and believe it may prevent him from falling exclusively under Venezuelan President Chavez' orbit of influence. End Summary.

¶2. (SBU) Over breakfast hosted by the Ambassador on March 28, six of Nicaragua's leading political analysts, whose political inclinations span Nicaragua's political spectrum, discussed their respective assessments of the Ortega administration thus far. Guests included Conservative-leaning Gabriel Alvarez, a constitutional expert; Sergio Garcia Quintero, a Liberal-dissident jurist; Luis Humberto Guzman, former National Assembly president and Christian Democrat; Cairo Manuel Lopez, a constitutional expert, president of NGO Pro Justicia, and a Social Christian; Alejandro Martinez Cuenca, an economist, director of economic think-tank FIDEG, and a member of the FSLN; and, Carlos Tunnerman, a Sandinista dissident involved in the NGO Movimiento por Nicaragua (MpN), former Minister of Education during the 1980s Sandinista regime, and one-time ambassador to the United States during the same period.

U.S. Policy on the Mark, Aid Should Target the Poor

¶3. (C) Initiating the conversation, Martinez Cuenca (Reftel), thanked the Ambassador for the invitation and our policy vis-a-vis the Ortega government. He termed our approach the best means to prevent President Ortega from using the pretext of a "hostile U.S. government" as justification to fall exclusively within Venezuela's orbit of influence. He offered that our lack of public reaction to Ortega's occasional anti-U.S. rhetoric is helpful, and encouraged us to ramp up the promotion of our assistance programs so people are more aware of our support. Martinez Cuenca, who commented that the USAID insert in the March 26 editions of the two dailies La Prensa and El Nuevo Diario was an effective step towards this end, also suggested we dedicate more of our assistance to help the needy.

¶4. (C) Garcia Quintero, who advises the Japanese on their assistance programs, underscored the importance of "donor

branding" so that the people recognize the origin of the donations and can effectively monitor project implementation.

Tunnerman referred to Secretary Leavitt's medical training initiative as a valuable project because it targets the rural poor. Lopez suggested we increase our exchange programs and other public diplomacy activities, while Guzman underscored the importance of our military assistance and counternarcotics support.

Yellow Alert

15. (C) Martinez Cuenca's view that Ortega administration actions have triggered a "yellow alert" drew vigorous nods of approval from his colleagues. Tunnerman ventured that the Ortega government's actions are bordering on "orange." Alvarez added that in some respects Nicaragua had reached the "yellow alert" stage before the November 2006 national elections, as voting results were manipulated to alter the composition of the National Assembly to favor Ortega and fellow political pact mate Arnoldo Aleman. He criticized Nicaraguans and the international community for not having insisted that the Ortega-Aleman-controlled Supreme Electoral Commission (CSE) issue the final election results -- polling center by polling center -- which could have helped detect the fraud.

It's all about Power, the Battle between Democracy and Authoritarianism

16. (C) The analysts were unanimous in their view that President Ortega is an astute, wily, street-smart, caudillo-style politician who adeptly manipulates popular sentiment and pits both his supporters and enemies against one another to maintain the upper hand. Tunnerman remarked that this time around, a more "pragmatic" Ortega has shed his socially-minded ideology and is now driven purely by his desire to consolidate power in the hands of his inner circle - namely himself, wife Rosario, and their offspring. The 1980s Sandinista government was run by a junta, not Ortega alone, reminded Tunnerman. Rosario was relegated to a minor role, but now she commands daily operations, explained Tunnerman.

17. (C) Tunnerman added that while the Sandinistas of the 1980s were committed to a "social project," this time around Ortega possesses no clear government plan and is driven exclusively by his unquenchable thirst for power, akin to the Somoza regime. He postulated that President Ortega will use whatever means at his disposal to legalize and legitimize his actions to convince observers that he remains within a democratic framework. Thus it is understandable that today's Ortega will court foreign and domestic capital -- even sweet-talk potential U.S. investors -- while completely discarding the rule of law. Lopez remarked that wealthy Sandinistas who support the new government will also do their utmost to protect their business interests and seek new foreign business partners. Alvarez conjectured that what is at stake is no longer a matter of left versus right; rather, the struggle is between authoritarianism and democracy.

Economic Decline Could Become Self-Fulfilling Prophecy

18. (C) The analysts shared the Ambassador's concern that Nicaragua's economy shows signs of deterioration, and a downturn could become a self-fulfilling prophecy that President Ortega would exploit to impose a more authoritarian, market-hostile, economic model. Martinez Cuenca enumerated a decline in housing starts, a slowdown in investment, private sector reluctance to restock inventories, the country's unresolved energy crisis, and a looming drought that could cause serious water and power shortages as areas of special concern. If these trends continue, they could ultimately spark an economic crisis -- in as soon as 60 days -- that Ortega would use to "justify" the imposition of a

more authoritarian economic model, he warned.

Limits on Ortega Will Kick in as the Euphoria Wanes

¶9. (C) Lopez predicted that as Sandinista euphoria over their victory abates, the FSLN's internal struggles for party control will escalate. It will also become increasingly evident to the public that most of Ortega's cabinet ministers are mediocre and ill-prepared to resolve Nicaragua's problems. And, while Venezuela can provide oil and other material goods to Nicaragua, it cannot offer the technical expertise of more developed countries that Nicaragua so desperately needs. Guzman observed that Ortega's powers in some ways are more limited this time around, as he no longer enjoys the "social hegemony" of the 1980s and international limitations, including the IMF will check him.

Social Apathy, Divided Opposition Advantage Ortega

¶10. (C) The analysts agreed that widespread social apathy combined with the political opposition's lack of direction advantage Ortega and his race to consolidate power. Garcia Quintero dwelled on what he termed the "indefinable idiosyncrasies" of Nicaragua's social dynamics that can propel mercurial Nicaraguans from "the sublime and heroic to the ridiculous" in no time. He believes that most Nicaraguans resist displaying their "confrontational heroism" of the 1980s and prefer now to let someone else make the first move.

¶11. (C) Despite the pervasive consternation, the analysts evinced various shades of optimism. Tunnerman was hopeful that groups like Movimiento por Nicaragua (MpN) can help contain Ortega and defend the country's embattled democracy. He reported that students from the Polytechnic University recently asked the MpN to help arrange a rally on 29 March in protest of the Ortega government's poor performance thus far. (The MpN recently issued Ortega a failing report card for his government's poor performance during the first 60 days). While all guests agreed that civil society can play a pivotal role in curbing Ortega's excesses, Garcia Quintero argued that political opposition parties, not civil society, should lead the charge. Lopez countered that in an ideal scenario, political parties should set the course; however, given their lack of focus and disingenuousness, they are not yet up to the task.

100 Days the "Drop-Dead" Mark

¶12. (C) Martinez Cuenca shared with the group his message to the Ortega administration that he will reserve judgment on its performance until it passes the 100-day mark. He invited his colleagues to join him in sharing their assessment with the public at that point.

Comment

¶13. (C) Daniel Ortega's motives have not really changed -- his blind ambition for power is by no means a recently acquired trait. Rather, he altered his tactics, adopting a conciliatory demeanor during the election campaign and pre-inauguration periods after his confrontational approach failed -- and specializing in double discourse since January ¶10. We will encourage these and other political pundits to put together a forum to mark the Ortega administration's first 100 days and to publish their assessments.

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